

NAPA COUNTY ECONOMIC FORECAST

Napa County is home to the Napa Valley, famously known for wine grape and premium wine production. Consequently, it is a popular tourist destination. Napa County has a population of over 133,500 people and 66,300 wage and salary jobs. The per capita income in Napa County is \$42,816, and the average salary per worker is \$46,507. Median family income in the Napa-Solano metro area is estimated at \$75,000 in 2006.

Although not nearly as robust as Southern California, employment growth in Northern California was strong in 2005, compared to the previous four years. Employment in the greater Bay Area increased by 0.8 percent last year. There were nearly 700 total wage and salary jobs created in Napa County in 2005, representing a growth rate of 1.1 percent. Non-farm employment increased by 1.7 percent. The unemployment rate remained constant at 4.6 percent in 2005.

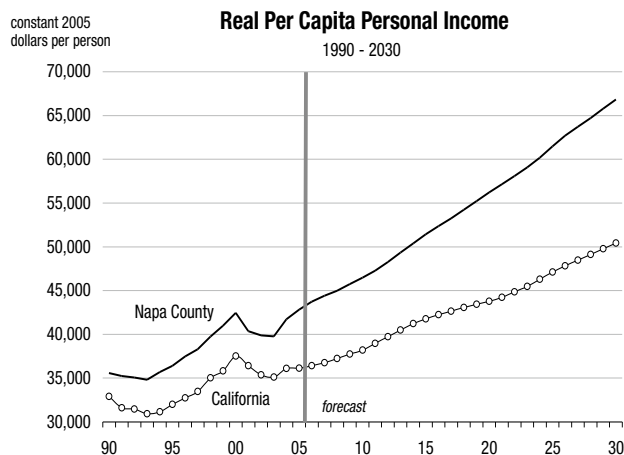
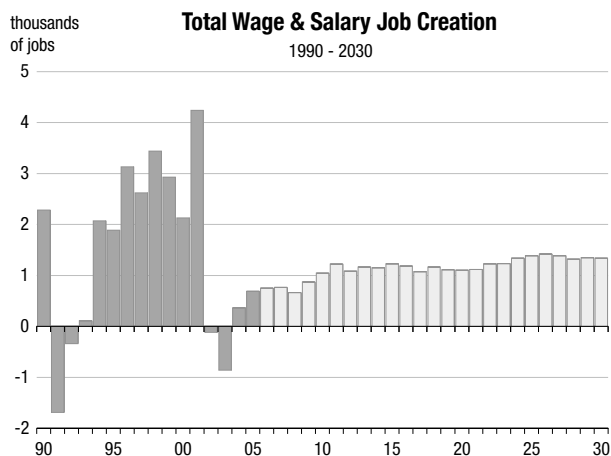
The economy of Napa County contracted in 2002 and 2003, but reversed in 2004. In 2005, the manufacturing sector created 620 jobs, more than twice as many as the next largest growing job sectors, government and financial activities. Much of the growth in manufacturing is from the increased production of wine. Employment in the construction sector declined by 200 jobs, while the transportation and utilities sector lost 140 jobs.

The population continues to grow in Napa County, but the growth rate is modest at 1.1 percent. The fastest growing city in the county is American Canyon, whose population grew by 4.8 percent last year. The largest city in county, Napa, accounts for over 50 percent of the population but increased only 0.7 percent last year.

The economy of Napa County continues to show improvement in tandem with the Bay Area economic recovery. Employment growth is forecast to remain positive over the next five years, but will not return to the peak levels recorded in the late 1990s.

FORECAST HIGHLIGHTS

- Job growth averages 1.1 percent in 2006. Over the next five years, the average annual growth rate is forecast to be 1.2 percent per year.
- Average salaries adjusted for inflation are currently below the California average, but over the long-term forecast they are expected to reach the state average. Real average salaries are forecast to rise an average of 1.3 percent per year over the next five years.
- Real per capita incomes increase at a rate of 2.2 percent in 2006. Over the next five years real per capita incomes are forecast to increase approximately 1.7 percent per year.

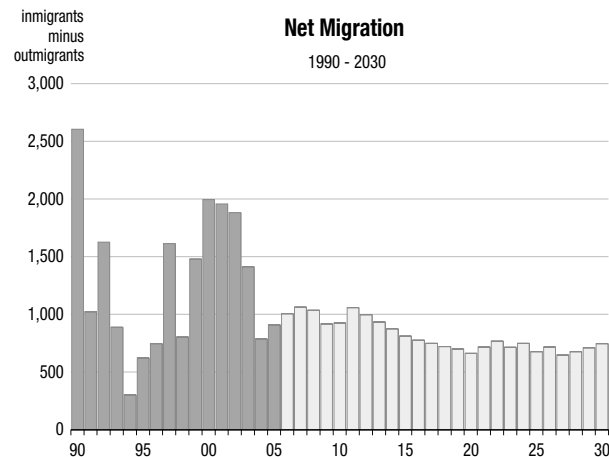
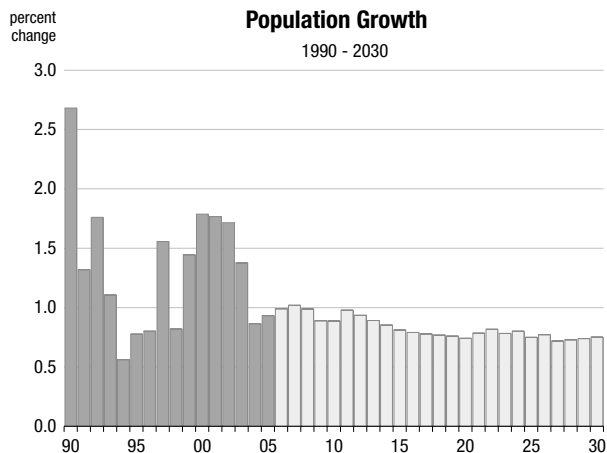


- Between 2006 and 2010, the momentum for employment growth is in leisure services, retail trade, professional services, government and manufacturing. Along with the Inland Empire and parts of the Sacramento Valley, Napa County is one of the few areas in California where manufacturing employment is forecast to increase.
- Population growth is expected to rise 1.0 percent in 2006. Annual growth over the five year 2006 to 2010 period is also forecast to average 1.0 percent.
- Net migration is forecast to increase slightly in 2006, to approximately 1,000 people. Net migration will stabilize over the next five years, averaging 1,000 people entering the county per year.
- Industrial production is expected to increase 3.3 percent in 2005. Over the next five years the growth rate of industrial production is forecast to rise an average of 3.0 percent per year.

Napa County Economic Forecast

1997-2005 History, 2006-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1997	120,051	1,614	108.1	44.6	350	\$1.3	\$3.6	\$38,298	3.4	322.9	0.80	5.1
1998	121,037	803	115.0	44.9	483	\$1.5	\$3.9	\$39,728	3.2	247.8	0.93	4.0
1999	122,788	1,478	118.1	45.2	720	\$1.7	\$4.3	\$40,981	4.2	268.3	1.03	3.3
2000	124,984	1,995	122.4	45.4	535	\$1.9	\$4.7	\$42,458	4.5	387.2	1.17	3.2
2001	127,194	1,958	126.8	45.8	907	\$1.9	\$4.8	\$40,363	5.4	387.5	1.20	3.5
2002	129,376	1,881	130.7	46.5	1,194	\$2.1	\$4.9	\$39,879	1.6	407.7	1.26	4.4
2003	131,156	1,413	129.8	47.2	649	\$2.0	\$5.1	\$39,780	1.8	405.6	1.35	4.7
2004	132,292	786	136.8	48.3	924	\$2.1	\$5.4	\$41,722	1.2	364.5	1.48	4.6
2005	133,526	909	140.7	48.9	653	\$2.2	\$5.7	\$42,816	2.0	386.0	1.65	4.6
2006	134,851	1,005	143.4	49.7	655	\$2.3	\$6.1	\$43,737	2.7	387.8	1.71	4.4
2007	136,227	1,063	145.6	50.4	639	\$2.4	\$6.3	\$44,400	2.1	395.8	1.76	4.5
2008	137,575	1,036	147.7	51.1	620	\$2.5	\$6.6	\$44,980	2.3	397.7	1.81	4.5
2009	138,801	917	149.8	51.7	608	\$2.7	\$7.0	\$45,736	2.2	407.5	1.87	4.4
2010	140,034	927	151.8	52.3	610	\$2.8	\$7.3	\$46,469	2.4	419.0	1.92	4.3
2011	141,405	1,058	153.9	52.9	607	\$3.0	\$7.7	\$47,272	2.3	424.9	2.00	4.3
2012	142,728	998	156.0	53.6	603	\$3.1	\$8.1	\$48,273	2.1	432.2	2.11	4.5
2013	144,001	934	158.1	54.2	597	\$3.2	\$8.5	\$49,321	2.2	442.2	2.22	4.6
2014	145,231	875	160.0	54.8	592	\$3.4	\$9.0	\$50,388	2.2	450.4	2.34	4.7
2015	146,410	812	161.8	55.4	593	\$3.6	\$9.4	\$51,416	2.4	459.3	2.45	4.7
2016	147,569	776	163.6	56.0	588	\$3.7	\$9.9	\$52,361	2.5	468.5	2.55	4.7
2017	148,721	748	165.2	56.6	579	\$3.9	\$10.4	\$53,253	2.6	471.2	2.66	4.8
2018	149,864	722	166.8	57.2	578	\$4.1	\$11.0	\$54,232	2.4	476.9	2.79	4.9
2019	151,005	699	168.4	57.8	575	\$4.3	\$11.5	\$55,215	2.4	483.5	2.91	4.9
2020	152,127	662	169.9	58.4	570	\$4.5	\$12.1	\$56,222	2.3	489.6	3.04	4.9
2021	153,321	718	171.5	59.0	567	\$4.7	\$12.7	\$57,149	2.3	490.2	3.14	4.9
2022	154,577	768	173.2	59.6	571	\$5.0	\$13.3	\$58,080	2.4	495.7	3.20	4.9
2023	155,788	716	174.7	60.2	575	\$5.2	\$14.0	\$59,062	2.3	495.9	3.24	4.9
2024	157,038	749	176.3	60.8	578	\$5.5	\$14.6	\$60,169	2.2	502.9	3.25	4.9
2025	158,218	676	177.8	61.4	581	\$5.7	\$15.4	\$61,474	2.2	509.2	3.22	4.9
2026	159,439	718	179.3	61.9	582	\$6.0	\$16.2	\$62,691	2.3	515.0	3.28	4.9
2027	160,588	647	180.8	62.5	583	\$6.3	\$17.0	\$63,704	2.3	520.6	3.33	4.9
2028	161,760	677	182.3	63.1	577	\$6.6	\$17.8	\$64,710	2.5	522.1	3.42	4.9
2029	162,959	711	183.8	63.7	573	\$7.0	\$18.7	\$65,778	2.5	528.7	3.53	4.8
2030	164,186	747	185.4	64.3	572	\$7.3	\$19.6	\$66,820	2.5	534.7	3.63	4.8



Napa County Employment Forecast

1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	53.5	4.17	2.5	8.6	0.9	6.2	2.3	4.7	0.7	6.7	7.0	8.5
1998	56.9	4.36	2.9	9.4	1.0	6.5	2.5	5.0	0.7	7.2	7.2	8.6
1999	59.9	4.41	3.1	10.0	1.0	6.7	2.6	5.9	0.8	7.3	7.6	9.0
2000	62.0	4.92	3.5	10.3	1.1	7.0	2.6	5.9	0.8	7.3	7.7	9.5
2001	66.3	5.28	4.0	11.0	1.3	7.6	2.8	5.9	0.9	7.9	8.3	9.7
2002	66.1	5.27	4.2	10.9	1.3	7.4	3.0	5.5	0.8	8.1	8.0	9.9
2003	65.3	4.86	4.3	10.5	1.5	7.6	2.7	5.4	0.8	7.8	8.4	9.7
2004	65.6	4.71	4.6	10.8	1.4	7.6	2.5	5.5	0.7	7.9	8.5	9.7
2005	66.3	4.39	4.4	11.4	1.3	7.8	2.7	5.5	0.7	7.9	8.6	10.0
2006	67.1	4.37	4.4	11.5	1.2	7.9	2.6	5.5	0.7	8.1	8.8	10.2
2007	67.9	4.43	4.3	11.7	1.2	8.0	2.7	5.6	0.7	8.1	9.0	10.3
2008	68.5	4.44	4.3	11.8	1.2	8.1	2.6	5.7	0.7	8.1	9.2	10.4
2009	69.4	4.52	4.3	11.9	1.2	8.3	2.6	5.9	0.7	8.1	9.4	10.5
2010	70.4	4.60	4.3	12.0	1.2	8.5	2.7	6.1	0.7	8.0	9.6	10.7
2011	71.7	4.65	4.3	12.2	1.2	8.6	2.7	6.4	0.8	8.2	9.8	10.8
2012	72.7	4.71	4.3	12.3	1.2	8.8	2.7	6.7	0.8	8.4	9.9	10.9
2013	73.9	4.78	4.3	12.5	1.2	9.0	2.7	6.9	0.8	8.6	10.0	11.1
2014	75.1	4.84	4.4	12.6	1.3	9.1	2.6	7.1	0.8	8.9	10.2	11.2
2015	76.3	4.91	4.4	12.7	1.3	9.3	2.6	7.2	0.8	9.2	10.3	11.3
2016	77.5	4.97	4.4	12.9	1.3	9.5	2.6	7.3	0.8	9.6	10.5	11.4
2017	78.6	4.98	4.4	13.1	1.3	9.7	2.6	7.4	0.8	10.1	10.5	11.5
2018	79.7	5.00	4.4	13.2	1.3	9.9	2.6	7.5	0.9	10.5	10.6	11.6
2019	80.8	5.04	4.4	13.4	1.3	10.0	2.6	7.6	0.9	10.9	10.7	11.7
2020	81.9	5.08	4.4	13.5	1.3	10.2	2.6	7.7	0.9	11.3	10.7	11.9
2021	83.1	5.09	4.4	13.7	1.3	10.4	2.6	7.7	0.9	11.7	10.8	12.0
2022	84.3	5.13	4.4	13.9	1.3	10.6	2.6	7.8	0.9	12.2	10.8	12.1
2023	85.5	5.14	4.4	14.1	1.3	10.8	2.6	7.9	0.9	12.7	10.8	12.2
2024	86.9	5.19	4.4	14.3	1.3	11.1	2.7	8.0	0.9	13.2	10.9	12.4
2025	88.3	5.24	4.5	14.6	1.3	11.3	2.7	8.1	0.9	13.7	10.9	12.5
2026	89.7	5.29	4.5	14.8	1.3	11.6	2.7	8.1	1.0	14.3	10.9	12.6
2027	91.1	5.33	4.5	15.1	1.3	11.8	2.7	8.2	1.0	14.8	11.0	12.7
2028	92.4	5.34	4.5	15.4	1.3	12.1	2.7	8.3	1.0	15.3	11.0	12.8
2029	93.7	5.39	4.5	15.7	1.3	12.3	2.7	8.3	1.0	15.8	11.1	12.9
2030	95.1	5.44	4.5	15.9	1.4	12.6	2.7	8.4	1.0	16.2	11.1	13.0

